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THE STATISTICAL BASIS OF BUDGET-MAKING.*

BY HERMAN A. METZ, *Comptroller.*

Today is not the first time that statistics and budgets have met. For two hundred years practically the only purpose of statistics was to assist in budget-making. At the beginning, it is true, both budget-makers and statisticians concerned themselves with the public's ability to pay taxes, rents, etc., rather than with public expenditures. For that matter the same is true today of budget-makers in most of our American cities. Governor Hughes says it is true of New York State's budget-makers, and no less an observer than President Taft suggests that there is not, after all, a very great difference between a French minister farming out a nation's revenues and the American taxpayer, who farms out power to raise funds for billion-dollar congresses. Just as the European farmer and merchant of the seventeenth and eighteenth centuries concentrated their attention on the amount of money collected from them for their governments, rather than upon the use made by those governments of money collected, so the American farmer, manufacturer and business man have, until quite recently, not given even a small fraction of their thought to what government has done with taxes.

Merely to collect enough money to run New York City does not require a very extensive or a very high type of statistical organization. We have unlimited wealth, or at least our reformers, department heads and most taxpayers think we have. Knowing where real estate is, it requires but a small force of statisticians and collectors to locate the owner and collect his money. To be sure, the statistical method should be and is employed to see that property is equably assessed, but New Yorkers are so proud of their ability to pay, or perhaps so

* Address before the American Statistical Association, Merchants' Association, New York City, December 30, 1909.

fearful each that he may be compelled to pay his full share, that until recently we have not even bothered ourselves about administrative control over taxes in arrears, or other city revenues. In passing, however, I want to say that the same reorganization which is giving New York City a broader statistical basis for its budget-making has also led it to adopt the methods of private business for learning what revenues are due, what are overdue and what are collected but not yet turned into the treasury.

Having in mind the limitations of an after-lunch, round-table discussion, I have tried to bring out but a few points which may provoke mutually helpful discussion.

Statistical analysis of past expenditures as a basis of estimating next year's budget requirements is the particular aspect of statistics and budget-making which I have assumed you wish me to discuss here today. As you could have asked me to open this discussion only because of my connection with the last four budgets voted for New York City, I shall confine myself to these budgets and statistics in making which I have, as city comptroller, had a part. To the differences of method which will be noted, practically all members of the present administration have contributed. From the first the mayor and president of the board of aldermen took active interest in and supported with their votes each constructive move. The five borough presidents voted uniformly for these differences, and several times when their own appropriations were thereby materially reduced. The mayor's appointees at the head of over one hundred departments have collaborated by furnishing the information demanded, many of them by giving up their vacations to find out for themselves what the facts were, and by re-shaping their estimates according to information elicited by uniform questions sent out by the department of finance.

So regardless of politics, person and party is the science which the American Statistical Association is organized to promote that in testing it on New York City's budgets, a so-called Tammany administration has effected progress which no reform administration ever even promised. More has

been done than New York's professed reformers either asked us to do or have yet discovered; more, in fact, than leading authorities in history, economics, politics, sociology, statistics or ethics have advised or helped us to do. In fact, the very borough presidents whom Governor Hughes removed for unbusinesslike methods voted for budget reforms, which the good governor himself has never found time to recommend definitely for the thirty-five-million-dollar budget which he himself signs. And if, as now appears, President Taft is soon to prove that his predecessor could have been removed for signing unscientific and padded budgets had he been in Governor Hughes' jurisdiction, I feel it is only fair to recall that President Taft's awakening came three years after New York City, the *bête noir* of reform politics, had committed itself to and put into effect budget reforms more comprehensive and more definite than any which President Taft has yet outlined.

How we came to undertake to provide a statistical basis for New York's budget-making is a story that is not without its lessons for official and private purveyors of statistics, and for the experts in various fields of social science who are gathered in New York this week. When President Lowell sends his men into what he calls "the laboratory of public administration" to study the "physiology of politics," and when Professor Hart and Professor Dewey wish to train their men in "historical accuracy" and in "accurate observation," I would commend to them the budget processes of New York, of their own city, or of any other administrative unit in the United States. The New York laboratory tells a story of coöperative effort among officials, and between officials and a private body known as the Bureau of Municipal Research, which indicates a method and a spirit that I regard as essential to effective political reform. For nearly four years we have worked together in such a way that each of us can take full credit. Without the mayor and president of the board of aldermen and the Legislature, which made possible his bureau of investigation and statistics, the comptroller could have done little. But the mayor, president of the board of aldermen and the Legislature could have done less without the comp-

troller. Judge Davies, the chairman of the aldermanic finance committee of 1906, supported us in our beginning. The press has applauded and demanded each forward move. The constant pressure, it is true, began and continued with the bureau of municipal research, a private organization whose backers have spent \$250,000, almost all of it having been brought to bear upon the problems of budget-making. Without this generous backing the bureau could not have assisted the administration. Without that assistance it is hardly likely that the work would have been done. Without official response almost no headway could have been made. The point I want to emphasize is that it has been possible and profitable for officials to work on this budget reform and the collateral accounting reform because the bureau of municipal research came to us with proposals that stood the test of both statistical and political analysis. For two years I have been saying that when things went wrong I was to blame, and when things went right the bureau of municipal research claimed the credit. Now here is a thing that has turned out well, and the bureau can no more take credit away from the present administration than the argumentative Baptist could deprive the good old Presbyterian loyalist of her "total depravity."

Four years ago New York City's budget-making exhibited the following cardinal defects:

First—Its basis was bluff — not facts statistically presented.

Second—Its statistics were unicolumnar, or bi-columnar at best.

Third—Its classification did not fit the work to be done.

Fourth—Its allowances were not segregated by function.

Fifth—Its hearings were farces.

Sixth—Its pledges were broken.

Seventh—Its victims were blissfully ignorant.

The budget-making which the present administration inherited I have frequently called a "fake proposition."

To assist in making our discussion practical I have asked the bureau of municipal research to bring here for distribution a discussion of budget-making called "How Should Pub-

lic Budgets Be Made?" In addition to the steps mentioned by it as having been taken up to 1909 there are several forward steps, to which I shall refer, taken by the Board of Estimate and Apportionment in voting the budget for 1910.

Among the general changes I beg to note particularly:

1. *The basis of New York City's budget for 1910 is no longer bluff and is in a very large measure statistics.*

What bluff remains is due, not to the method of budget-making, but to the lack of proper accounting for time, material and money spent in the various departments. This lack has been provided for, so that the incoming administration will be able to prepare budgets in which bluff itself will be statistically distinguished from real need.

Uniform questions are sent out to one hundred and twenty-five departments in which budgets originate in the form of estimated expenses for the succeeding year. These questions are sent out in May and are filled out and returned to the bureau of municipal investigation and statistics in July or August.

Gradually department heads have come to test answers filled in by their subordinates before submitting them to the board of estimate. It is safe to say that the time given by division heads and heads of departments to the 1910 budget estimates was probably twenty times the amount given in 1906. Fire Commissioner Hayes asked for an increase of less than \$125,000, whereas for years that department has been getting increases running from \$350,000 to \$750,000. Commissioner Spooner of the dock department subtracted \$400,000 from his original estimate. The city superintendent of schools spent most of the summer in town and publicly announced that never again was he willing to find himself unable to answer questions regarding his own budget estimate. Not always did the testing by commissioners result in reductions, but in most instances it did result in giving preference to demands which, when under the light of publicity, would more likely commend themselves to the board of estimate and the general public.

In New York we print budget estimates not only in large volumes, such as this at hand, but in separate reprints for

distribution among those who believe they want to master the details of departments in which they are most interested. This makes possible a test by volunteer organizations.

A third test, and up to date the most effective, is that by the bureau of municipal investigation and statistics, which, with its staff of twenty-eight employees, goes over in detail, first at the office and later in the various departments themselves, the statistics submitted by the departments, plus such reasons for this increase or disclosed by statistical comparison do not lend themselves easily to statistical presentation.

While the bureau of municipal investigation and statistics is conducting its tests the board of estimate and apportionment holds hearings of the departments and for taxpayers upon the various departmental estimates.

In 1909 the dates for those hearings were set in June at the request of volunteer organizations representing charitable and civic agencies, known as the 1910 Budget Conference. At these public hearings members of the board of estimate ask the department heads to defend and explain their requests and hear from taxpayers reasons for or against particular items. For the last two years Mayor McClellan has declined to listen to remarks upon "the state of the union," which, while somewhat reducing the temperature and the quantity of elocution from taxpayers, has added greatly to the definiteness of discussions.

These various tests applied to the departmental estimates led, in 1909, to the cutting down of estimates from \$184,000,000 to \$163,000,000 before the publication of what we call a tentative budget. This tentative budget represents what the committee on the budget wishes to recommend to the board of estimate and apportionment. This committee has, in the past, represented the mayor, the comptroller and the president of the board of aldermen. The borough presidents, carrying seven of sixteen votes in the board of estimate, have not been represented in the budget committee. On the tentative budget taxpayers and the department heads involved are given hearings.

If, after these various tests, bluff survives it is because of

deficiencies either in original records or in the capacity of the tester, rather than in the statistical method employed.

2. *The statistical column in New York City's budget estimates is no longer uni-columnar or bi-columnar.*

In 1906 we set up our estimates in two columns: Allowed for 1905 and asked for 1906. In our estimates for 1910 we show the facts for the annual rate at three different six months' periods compared with the annual allowance requested for the succeeding year. The salary requests show for all salary increases during three different six months' periods and for the new year whether increases or decreases are for additional employees or for those employed at the beginning of each period. Similarly, facts for various supply accounts are set up for different periods.

To check a tendency that is found to manifest itself whenever a particular date comes to be known as the date with which budget requests are to be compared and with respect to which budget changes will be made, we ask for the payroll facts, not only for June, but for each of the six months of the year preceding that for which budget allowances are requested. If we find, as we often do, that a large number of additional employees are thrown upon the June payroll the burden of proof is put upon the department to show why the next year's allowance should not be determined by the May payroll or the January payroll, rather than by the swollen roll of June. These facts are given, not for departments as such, but for each working division within the department. Any breakdown here is again due to method of administration and not to statistical method.

3. *Totals are no longer unclassified, and the classification no longer fails to express the character of work to be done.*

For example, the budget voted to the department of finance for 1906 provided for \$1,100,000 under six different titles. These did not indicate the character or work that my department proposed to do. For 1910, \$1,600,000 is given to the department of finance under twenty-two headings, sub-divided again into three hundred and thirty-two supporting scheduled items, indicating as many different kinds of work. In

the health department's budget, which was made a test of the so-called classified budget, there were eleven headings in 1906. These headings did not describe differentiated work within the department of health. It is possible now to learn, as it was not possible four years ago, what employees in the department of health are employed in fighting tuberculosis and how much it costs to maintain them. Only because these facts could be learned was it possible for social workers and distinguished physicians to work out the clear case which they made last fall for an increase of \$262,000 for various lines of effort to stamp out tuberculosis. But the health department's \$2,700,000 is divided into one hundred and twenty-nine functional headings and restricted by four hundred and sixty-eight scheduled items.

4. *The budget classification may no longer be disregarded by department heads when it comes to spending their allowances.*

Three or four years ago I was able to get money when I wanted it for this or that purpose by robbing Peter to pay Paul. Now they won't let me take money from the auditing division to increase salaries in the bureau of municipal investigation and statistics. I can save and save all I please, but I cannot use the savings to increase salaries in some other division without getting permission from the board of estimate and apportionment. This is what we call segregation. It was recently illustrated by the board of education, where an attempt was made to get \$26,000 to increase the salaries of twenty-six district superintendents of schools. Assuming for sake of argument that these increases ought to be made, no argument for them was presented to the board of estimate this last year. The allowances were not made and not a dollar was given to any fund which the board of education did not claim was absolutely indispensable to do work clearly specified in its budget estimates. Three or four years ago it was expected, as a matter of course, that salary increases like these would be made, but last week, when the question came up, the chairman of the by-laws committee of the board of education said: "*We dare not do this. If we do, we will convict ourselves of*

either having padded our payrolls in our budget estimates, or else of being willing to sacrifice certain activities, such as vacation schools, recreation centers, etc., for the sake of increasing twenty-six salaries."

We have even gone so far as to print as a part of our budget the details or schedules which make up the appropriation titles. Furthermore, so far as payrolls are concerned, they have segregated one twelfth of the annual monthly payrolls by months, so that no department head can spend more than one twelfth of the total allowance without giving a reason for doing so to the board of estimate and apportionment. There are those who find in this a serious handicap to elastic administration, but whatever defects there may be from the standpoint of a department head wishing freedom to use money, this method cannot be criticised as lacking a statistical basis.

5. Budget hearings are no longer a farce, or, at least, not quite as farcical as they used to be.

The board of estimate has stopped listening to what the mayor calls "hot air," although I can hardly claim that the members of the board have themselves entirely stopped committing that offense. I think it is probably true that if the members of the board of estimate and apportionment had equipped themselves last fall to question the department heads we could have given a demonstration in the use of statistics in making up an annual budget such as perhaps no public body in the country ever made. Unfortunately, many of the important facts were not brought out. Making public use of statistics provided in estimates, both in advance of public hearings and at these hearings, is a problem which confronts our successors.

This last year we were unable to prepare the tentative budget in time for study by the general public. We received several letters condemning us for failure to give taxpayers their right to know about what we were going to vote for. Not having time to study, those who wrote us washed their hands of the matter and declined to participate in the hearings. At the urgent request of the bureau of municipal re-

search, we adjourned for twenty-four hours. While a period of twenty-four hours is not as long as twenty-four days, it is, after all, a pretty long time for social workers or taxpayers, who pretend to know what they want and who feel free to criticise public officials for voting certain specific allowances, or for failing to vote certain specific allowances. Yet not one single citizen appeared when the session reconvened to say a word about a budget of \$163,500,000.

Mr. Jacob H. Schiff, the philanthropist and financier, did submit a brief in which he suggested certain definite retrenchment along lines urged upon the Cassidy committee on city finances by the mayor, comptroller and others. I am glad to say that while we could not comply with his suggestion to reduce our budget \$3,500,000, we did take steps by which the next administration may, if it wishes, effect the economies in the purchase of supplies and salaries outlined by Mr. Schiff.

Much remains to be done. The original records of money spent and work done are still defective. The season of interest in budget-making is still too short. The bureau of municipal investigation and statistics, or the bureau or department charged with similar duties, should be equipped to follow the budget from the first to the last day of the year; to report upon revenue bonds, special revenue bonds, and issues of corporate stock, with special reference to previous budget discussions and succeeding budget requirements. Salary increases and transfers from one appropriation title to another should likewise be reported upon to the board of estimate and to the public, with special reference to previous budget discussions and succeeding budget requirements. Entering wedges, insignificant in themselves, should be judged according to what they will cost after an innocent plan is fully under way, and not by the small fraction of this cost which is generally involved in a first fortnight's test. Every principle applied to a budget of current expenses should be applied to a budget of corporate stock.

For two years we have been asked to print side by side with the tentative budget of proposed allowances the requests which we have disallowed. Unquestionably this is

statistical information which in time will come to be a requisite of proper budget-making. Moreover, the tentative budget should also indicate how the allowances granted compare with allowances for similar purposes in the preceding year, by a column which will give increases or decreases. Heretofore this has not been possible, partly because we perhaps did not fully recognize its importance, and partly because we were not equipped to do accurately the clerical work involved in such comparative statements.

There has been a great deal said this last week at the meetings of the learned societies convening here about the obligation of those societies to bring their sciences to the aid of the government. May I, in conclusion, appeal to the American Statistical Association to assume and to keep the leadership to which it is entitled by virtue of its field of study? A new type of man is needed in government. We need the survival of a new kind of fitness. We need not only men who know, but more particularly men who know how to find out. We need social scientists who recognize that the making of history is more important than its writing or its teaching; that administration is infinitely more important than the study of administration; and that the making of statistics day by day is infinitely more important than the study of statistics made after the facts, when defects in the original record may render futile such studies. In our efforts to vitalize and to translate into present action the lessons of the past I venture to suggest that no field of study and no field of activity will produce such quick and certain and helpful results as budget-making, once put upon a proper statistical basis.

DISCUSSION.

In accordance with the custom of the Association a general discussion followed the reading of the principal paper by Comptroller Metz. It was hoped that Governor Hughes would be present to take part in the discussion, but he found it impossible to do so. The following telegram was received from him during the meeting:

TELEGRAM.

ALBANY, N. Y., December 30th, 1909.

Mr. Fredk. B. DeBerard,

Merchants' Association of New York,

66 Lafayette St., City.

I regret that it is impossible for me to accept your invitation to attend the meeting of the American Statistical Association today. I am very much interested in improved methods of accounting and budget making and while I should not commit myself to any particular plan before examination you have the assurance of my sympathy with the general purposes in view. I hope the meeting will be productive of much good.

(Signed) CHARLES E. HUGHES,
Governor, State of New York.

Vice-President Willcox called upon Prof. Joseph French Johnson to open the discussion, but Professor Johnson disclaimed any special knowledge of the subject and begged to be allowed to retire in favor of his friend, Harvey S. Chase, of Boston, who, he said, had had a very wide experience in such matters. Mr. Chase being called upon spoke in part as follows:

“As Professor Johnson has turned over to me the burden of opening the discussion on Comptroller Metz’s paper, I should say at the outset that I have prepared no written statement, but as I am very greatly interested in the subject of this paper and in the general question of municipal accounting, I shall be glad to comment on one or two points. I desire to supplement what Comptroller Metz has said, and has so well said, in relation to the necessity for greatly improved methods of budget making, such as have been installed in connection with the various departments of the City of New York, during the Comptroller’s administration — I desire to supplement this with a plea for the next step in the reformation of municipal accounts which, in my opinion, has to do with monthly balance sheets, actual balance sheets,

setting forth the true financial condition of the city, its assets and liabilities, including in these liabilities the balances of unexpended appropriations, and wholly separating in these balance sheets the assets and liabilities pertaining to general revenue from the assets and liabilities pertaining to special funds of all kinds. After long experience in auditing and reorganizing the accounts of municipalities of all sizes, from the small towns in Massachusetts to cities the size of Boston, Chicago, Minneapolis, Cleveland, Cincinnati, etc., it appears to me to be fundamentally important that true, double entry, balance sheet methods of accounting be installed in all of our municipalities.

“There are three steps in the progress of improvement in municipal accounts: First, Uniform classification of the expenditures, so that comparisons may be made between cities, and between departments and sub-departments in those cities, as to the relative costs of the different functions of the city. Accompanying this should be similarly a standard classification of receipts. Such standard classifications have been established in this country, and are applied in a very large number of municipalities today, whereas ten years ago they were applied in no municipality. This very great development has come about through the agencies of the National Municipal League, the United States Census, and the Uniform Accounting Boards in the various states.

“The second step is the consideration of budgets which has been set before us fully in Comptroller Metz’s paper, and which is particularly well represented by the work of the Bureau of Municipal Research. This budget work — which includes the preliminary estimates; the verification and criticism of these estimates; the establishment and authorization of the various items in the budget; and, finally, the actual introduction of the appropriations made by the budget into the books to the credit of the various departments and offices, — is fundamentally important. These operations precede the actual expenditure of the money. Too much emphasis cannot be laid upon them, and upon the disastrous results which follow any neglect in these particulars.

“But the point which I desire to impress upon you especially is the third step, which should immediately follow the preparation and passage of the budget, namely, the establishment in the books of the municipality of accounts correctly representing all of the assets and all of the liabilities of the municipal corporation as a whole. These books should be kept in the office of the comptroller or the auditor, or other general accounting officer of the municipality, in such form and with the accounts so classified that there can be taken off from the general ledger every month, a trial balance or balance sheet which will comprise, in proper groupings and divisions, a true statement of the financial condition of the city or town at the date of the balance sheet, and which will disclose, as a result of the grouping of these assets and these liabilities, the fact that there will be a deficit or a surplus at the end of the fiscal period then current. Further, this balance sheet must also establish whether or not the special funds — trust funds, sinking funds, etc., of the city are correctly offset by good and sufficient assets, and therefore whether or not there are deficiencies in any of these funds.

“My experience has led me to the conclusion that we shall never get successful and economic administration of our cities and towns until our municipal administrators are provided, monthly at least, with balance sheets of this description, whereby they can follow from month to month the actual condition of the finances, and foresee what the conditions will be if the present rates of expenditure and percentages of collections are continued.

“Heretofore in municipal accounts we have, in the main, excellent records of receipts and disbursements; that is to say, we can look backwards over what has actually occurred in the past, and note the sums which have come into the treasury, and the expenditures which have gone out therefrom. All this is necessary and highly important, but it is not enough. We must also have, I am fully convinced, the additional power of looking forward into the future and of determining, so far as humanly possible, what the receipts will be in the coming months, and what the expenditures

must be restricted to if the municipality is to come out with the balance on the right side of the account at end of the fiscal period. This can only be done, in my estimation, by the establishment of double entry, balance sheet systems of accounts, which shall embody the classifications upon the uniform lines, and which shall set forth the facts as to whether or not the budgets which have been so carefully prepared have also been adhered to, and the expenditures kept within the various items of these budgets during the fiscal year.

“An annual report of a municipality is not enough, even though it be classified carefully and accurately along the uniform lines. By the time such a report is published, it is too late to make any changes which will affect the financial results of the year. The mischief has been done, the deficiencies have appeared only in the final balancing at the end of the year, and nothing can be done about it, except to provide for these deficiencies in the ensuing year. It requires regular statements, at least as often as once a month, in which the deficiencies or surplus at the end of the year are foreshadowed, in order that true administrative control may be had by the city officials over the various departments and over the general financial arrangement.

“This statement should be self-evident. It is so to me, and I trust it will be to you. There is no escape from it, if one undertakes to revise and reorganize city accounts, and bumps up against the actual conditions in many of our cities today, as I have done.

“It is only recently that the attempt has been made to introduce such double entry, balance sheet systems of accounting in our cities, and progress is necessarily slow, as the whole matter is exceedingly complicated and must be followed out according to the requirements of law under which our cities act. Frequently ordinances must be amended or revoked, and often recourse must be had to the state legislatures for changes in the charters of the cities, or changes in special statutes applying to municipalities. It is a long process and requires great patience, but it is evident that substantial progress has already been made and I am

satisfied that in the next few years an astonishing development along these lines will become evident. It is for this reason that I have taken the time to emphasize to you the importance of this third step in the general rehabilitation of methods of accounting in municipalities.”

Following Mr. Chase, Rev. Henry A. Stimson, the Pastor of the Manhattan Congregational Church, spoke as follows: “I represent a class of men who can do great harm. We have to serve as the mouth-piece and speakers for the public. We must depend for our facts upon those who give them to us, and facts, as you know, are very difficult to come at. I have a somewhat humorous missionary friend, who has lived many years in China. He once said to me: ‘The half is not known about China, and the half that is known is not so.’ The profane tell us that there are three kinds of lies: ‘lies, damned lies, and statistics.’ This may serve to show how great is the need which we preachers have of you statisticians. Comptroller Metz generously came to my relief recently in standing before my congregation to tell them about the work of his office and to open to them the general situation as to the affairs of the city. He laid us under great obligation and awakened an interest in my congregation which gave him abundant evidence of the readiness of the people to support any officer who is trying to do his duty. The Bureau of Municipal Research has already established itself in the confidence of all our people by the thoroughness of its work in gathering the facts in the different departments of municipal administration, and to communicate them to the public. No service has been more thorough or more important, and no one has done so much to show the real significance of the work which you gentlemen are everywhere trying to do. I am glad to bear testimony to its value, and to express in this public way the abiding obligation under which we are to men like yourselves.

“I may also, perhaps, be permitted to say that you have need of us; for your investigations will be of little value unless the city can be persuaded to accept them, and to carry

out your suggestions. Our work may then be regarded as helpful in setting these facts before the people and so creating a public sentiment which will give them more or less immediate application, and also in raising up men who will devote their energies to securing better administration along the lines which you open. It is not sufficient that from time to time we are stirred up by reform movements, however promising. How much real value there has been in such as we have had in New York may be illustrated by a little incident. A somewhat distinguished citizen has recently died, Mr. Timothy Sullivan, better known as 'Little Tim,' an East Side political boss. After the late election a gentleman said to him: 'Now that you have a Democratic Mayor I suppose you feel happier.' He looked up with his bright Irish face and said: 'You must be a humorist, or else you do not understand the business. When we had a reform Mayor, a box of cigars, or getting a place for a man, was enough to get me all I wanted; but when our folks are in it costs half the profit of the job.' I am glad to assure you of the earnest coöperation of the men of my cloth in the work you are doing and of our keenest appreciation of its value. We shall look to you with a growing confidence for the facts which you alone can secure, upon which all hope of wise and permanent reconstructive work in our municipal life must rest."

Charles F. Gettemy, director of the Massachusetts Bureau of Statistics, also participated briefly in the discussion, explaining the work of his department in the matter of standardizing municipal accounts and reports in his state, and emphasizing the necessity of radical reform in budget making as a prerequisite to scientific and comparable statistics of municipal revenues and expenditures.